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UNCLAS SECTION 01 OF 02 KUWAIT 000284

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DEPARTMENT FOR NEA/ARPI, EB FOR JCLARK, S/CT FOR GNOVIS,
TREASURY FOR OFAC WERNER

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SUBJECT: COMBATING MONEY LAUNDERING A TOP PRIORITY FOR
COMMERCE MINISTRY OFFICE

¶1. (SBU) Begin Summary: During a January 24 meeting with Econoff, Ahmed Al-Ansari, the head of the Ministry of Commerce and Industry's relatively new Combating Money Laundering Operations office (est. 2003), underscored his office's commitment to raising private sector awareness and ensuring compliance with the GOK's 2002 AML law. Al-Ansari expressed confidence in his office's efficiencies, despite budget shortfalls, and welcomed possible USG technical assistance to strengthen its efforts. End Summary

¶2. (U) On January 24, Econoff met with Ahmed Al-Ansari, Director of the Ministry of Commerce and Industry's (MOCI) Combating Money Laundering Operations office to discuss its role in the GOK's CTF/AML regime. (Note: Al-Ansari is also the MOCI representative on the GOK inter-ministerial National Committee on Combating Money Laundering and Terrorist Financing. The National Committee is finalizing a draft legal review of the 2002 Law to ensure compliance with international CTF/AML measures.)

¶3. (U) Al-Ansari explained that his office was established in 2003 with responsibility for improving private sector awareness and compliance with the country's 2002 AML law (No. 35) among private businesses not under Central Bank oversight and supervision. These include investment and insurance companies, insurance agents and brokers, exchange houses, and jewelry establishments, including gold, metal and other precious commodity traders. (Note: The Central Bank oversees banks and other financial institutions and the Ministry of Social Affairs and Labor oversees charities.)

¶4. (SBU) Al-Ansari added that the office, despite its small size (staffed by approx. 7), had been successful in increasing private sector awareness and compliance with AML regulations through consistent follow-up with the database of approximately 2,500 companies under its supervision. According to Al-Ansari, all new companies seeking a business license are required to receive mandatory AML awareness training through his office before licenses can be issued. He explained that the office also maintains updated files on businesses to track compliance through mandatory follow-up and unannounced inspections.

¶5. (U) To demonstrate his public outreach efforts, Al-Ansari shared with Econoff a copy of an information booklet-- "Participate With Us to Control/Stop Money Laundering"--provided to all companies as part of the MOCI's public awareness campaign. The booklet is published by his office and contains key provisions of the 2002 AML law and international guidelines and images on detecting and preventing money laundering. The booklet also contains a ministerial advisory warning against the illegal transfer of funds abroad by private businesses, particularly exchange

houses (220 in Kuwait).

¶6. (SBU) Al-Ansari identified a series of punitive measures designed to raise the financial stakes for businesses found in violation of the 2002 AML law. The first instance of violation results in an official warning by the Ministry. The second and third violations result in closure for two weeks and one month, respectively. The fourth violation results in the revocation of the license and closure of the business. According to Al-Ansari, three exchange houses were closed recently, one for operating without a license and the other two for violating instructions (no details given).

¶7. (SBU) When asked about challenges, Al-Ansari pointed to budget constraints but expressed optimism about the new fiscal year starting in April. He welcomed Econoff's offer of possible USG technical assistance to help strengthen his office's operational efforts and to improve coordination among GOK CTF/AML entities. Econoff pointed to the ongoing positive contributions by the U.S. Customs Advisory team working with Kuwait General Administration of Customs to strengthen customs enforcement and operations as a valuable example of USG technical assistance and cooperation. Al-Ansari offered to follow-up with Econoff on potential training needs.

Bio Note

¶8. (SBU) Ahmed Al-Ansari appears to be in his late forties and prefers to speak in Arabic. His English is limited to general passive comprehension. He has been director of the combating money laundering office since its establishment in ¶2003. Prior to that he served as the director of commercial

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licenses at the MOCI. He conveys a respectable degree of commitment and seriousness for his work and AML issues. He has never traveled to the United States but would welcome U.S. technical assistance to strengthen his office's operations.

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